

South Carolina Department
of
Labor, Licensing and Regulation

Annual Accountability Report
Fiscal Year 2001-2002

The Honorable Jim Hodges, Governor
Rita McKinney, Director

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I. EXECUTIVE SUMMARY

INTRODUCTION

In 1994 the South Carolina Legislature created the South Carolina Department of Labor, Licensing and Regulation (LLR) by combining 40 separate state agencies including the Department of Labor, the State Fire Academy, the Office of the State Fire Marshal and 38 professional and occupational licensing boards. Legislators envisioned an organization that would promote efficiency and build accountability while delivering the highest level of customer service. In January 1999 Governor Jim Hodges appointed Rita McKinney the Agency Director. Director McKinney and her Leadership Team, with input from all LLR employees, developed the agency's strategic plan in FY2000. The agency mission, values and strategic goals follow.

MISSION, VALUES AND STRATEGIC OBJECTIVES

MISSION STATEMENT

Making South Carolina A Safer and Better Place to Work and Live

The SC Department of Labor, Licensing and Regulation will accomplish its mission by:

- Promoting a regulatory climate that provides a safe and healthy environment where businesses can be successful in a manner that benefits our citizens;
- Conducting appropriate inspection and complaint investigation programs and, when necessary, pursuing enforcement options as provided by law;
- Administering licensing, permitting and certification programs, as provided by law; and
- Providing appropriate education, information and outreach programs.

VALUES

Provide Excellent Service
Act With Integrity
Treat People With Respect

STRATEGIC OBJECTIVES

Maximize Customer Satisfaction
Maximize Employee Satisfaction
Maximize the Efficient Use of Resources

OPPORTUNITIES AND BARRIERS

The Department of Labor, Licensing and Regulation (LLR) is clearly one of the most complex organizations one could encounter in either the public or private sector. The diversity of the agency as well as the challenges this diversity brings to upper management is monumental. Prior to restructuring, present components of LLR were organized as follows:

- The Department of Labor (single agency)
- The Office of the State Fire Marshal (part of Budget and Control Board)
- The State Fire Academy (part of Budget and Control Board)
- 39 autonomous professional and occupational licensing boards.

Any one of the above components could be compared to many present state agencies which are similar in size, complexity and focus. Take, for example, the Division of Professional and Occupational Licensing. Many assessments in the past of this Division have incorrectly concluded that the agency's focus was merely processing licenses and that this function was similar in the thirty-nine boards.

This assessment ignores the processes which are necessary to occur prior to issuing a license of a particular profession or which become important when complaints are made against licensees. The Division must perform such functions as investigate complaints and provide sound legal advice to each board which decides on the disposition of the complaint. The Division must also promulgate regulations and statutes which guide the practice of each profession. Many of these boards also have conflicting objectives which often times appear in early drafts of Practice Acts. The agency must have adequate knowledge of these issues and serve as "mediator" between the entities to reach consensus. In order to effectively lead and manage the agency, the Director's position and those positions in upper management which have agency-wide responsibilities, must understand the issues relating to approximately forty professions, in addition to those in the Division of Fire and Life Safety and the Division of Labor. Such a challenge is quite different and far more complex than an agency whose mission is more single faceted. In many ways LLR is more like a conglomerate than a single agency.

The biggest barrier to the accomplishment of the Agency's mission continues to be the budget reductions incurred during FY01 and FY02. To date, the agency has taken cuts totaling \$2,314,753 of which \$1,759,889 is state appropriation. This represents a 25.23% reduction of our state funds. The Division of Labor is most affected by these cuts as over 60% of the agency's state appropriation is in the Labor Division. Because of their regulatory nature, this division has no way to generate revenue. All revenues generated through the agency's regulatory programs are remitted to the general fund. These cuts have severely compromised our agency's ability to carry out our mission of making South Carolina a safer place to work and live.

Because of the agency's inability to provide the state match required to fund OSHA programs, LLR returned to the federal government or deobligated \$194,990 this past fiscal year.

Currently, permanent reductions to our base have had the following impact to our programs:

- Three trainer positions in the OSHA Voluntary Program have been eliminated. These trainers teach South Carolina's workforce how to make safety a priority in all kinds of job situations, from driving a forklift to handling hazardous chemicals to wearing personal protective gear.
- One inspector and one clerical position were eliminated in the Elevators and Amusement Ride program. The loss of the inspector, along with an increase in elevators state-wide, has caused a backlog in inspection and permitting functions.
- One Program Manager, one Program Coordinator and four clerical positions in the Occupational Safety and Health Program were eliminated. LLR continued to leave vacant the OSHA Administrator and several safety and health inspector positions. The retirement of several top managers in the program has caused the loss of valuable institutional knowledge. The vacant safety and health inspector positions have caused the number of inspections of South Carolina workplaces to decrease and the potential for noncompliance with OSHA standards to increase. This could lead to higher injury and illness rates in the State.
- Two positions in our Labor Services - Mediation Program have been eliminated. Investigation services for industrial disputes, strikes and lockouts now will only be provided in critical situations involving threat of violence and/or a critical work stoppage.
- Five positions in our Wage Claim and Child Labor Program have been eliminated. This has caused an increase in the lapse time between when a complaint is received and when investigations of violations of the payment of wages and child labor laws can begin.
- Vacant positions in Administration were not filled in the following areas: Legislative Liaison, Public Information, Human Resources, Finance and Information Services. Additional restrictions have also been placed on travel, equipment, telephones, leased cars, beepers and computer software upgrades.

Another challenge relates to addressing the budgetary inequities which were apparent from restructuring forty entities into one agency. Combining forty cultures into one is in itself a challenge. When these entities were combined into one "umbrella" organization in 1993 for greater accountability, legislation also required services to be performed which had not been offered earlier. While statutes require these additional services for accountability, no additional dollars were given to the agency for these services or administering the boards. To add to the problem, legislation requires each Board to be self-sustaining. This requirement is extremely difficult for boards with a small number of licensees; therefore, the ultimate outcome for the agency is to have a number of "rich" boards and a number of "poor" boards which can barely meet budget requirements. This funding inequity has also had implications involving inequity in pay and resources. While the agency continues to implement strategies to address this problem, creating a climate of unity is a difficult feat.

We are proud to report that 92% of our boards are now self-sufficient, an increase of 46% over 1999. The agency is still required to remit 10% of all POL expenditures and all excess funds in the Contractor's Licensing Board to the general fund. This practice was instituted prior to restructuring, when central state government agencies such as the Budget and Control Board, Attorney General's Office, Comptroller General's Office and State Treasurer's Office devoted significant time to assisting the boards in administrative matters. Since the administrative burden now belongs to the agency, we believe this revenue should remain with the agency. This requirement makes it more difficult for many board to become self-sufficient. Court cases from

around the country have concluded that the practice of using licensing fees from the various professions for general fund purposes is illegal.

Another funding challenge is the costs associated with the September 11 attacks and their impact on the agency's programs. All of our divisions have been affected, although some not as severely as others. For example:

- Professional and Occupational Licensing - The Board of Pharmacy has had to develop plans for the shipment and disbursement of massive quantities of pharmaceuticals in the case of terrorist attack or other state-wide emergency. Many of our other health-care related boards are facing similar issues.
- Division of Labor – Both the OSHA and OSHA Voluntary Programs have had to develop standards and guidelines on issues such as anthrax and its potential effect on employees and workplace security.
- The Division of Fire and Life Safety – This division is most directly affected by the events of September 11. The State Fire Marshal, under the South Carolina Emergency Plan, is responsible for Emergency Support Function (ESF) 4, Structural Firefighting and ESF 9, Urban Search and Rescue. Also the Fire Marshal is responsible, under state law, for Firefighter Mobilization. Three times during this fiscal year ESF 4 and 9 were activated to support emergency needs. Those times were:
 1. On September 11, 2001 the state emergency plan was implemented and our division manned the state Emergency Operations Center for 2 days. We implemented the Firefighter Mobilization Plan and contacted fire service teams from around the state and placed them on standby to respond to terrorist attacks in our state or to send resources to New York, if requested.
 2. On November 8, 2001 ESF 4 was activated and the Firefighter Mobilization Plan was implemented due to the Long Bay forest fire in Horry County. Thirty-eight (38) fire departments were mobilized which sent teams and equipment to assist the Forestry Commission and the Horry County Fire Department. We were actively involved with this mobilization coordination until November 13.
 3. On June 17, 2002 ESF 4 was activated and the Firefighter Mobilization Plan was implemented due to the Legends forest fire in Horry County. Twelve (12) fire departments were mobilized which sent teams and equipment to assist the Forestry Commission and the Horry County Fire Department. We were actively involved with this mobilization coordination until June 19.

The Division is also actively involved with Emergency Management Division and the State Emergency Plan. Personnel attended five ESF planning meetings and seven tabletop drill exercises and drill planning meetings. Personnel were actively involved as both players and a

controller for the State Emergency Drill on June 5 and 6 and the drill-after action review on June 7, 2002.

These new initiatives, which were a result of the September 11 attacks, have been implemented without any new funding or personnel. In fact, in most cases budgets have been cut and personnel have been reduced.

MAJOR ACHIEVEMENTS

The following achievements relate to each of our strategic objectives:

Maximize Customer Satisfaction

Keeping in mind that superior customer satisfaction is derived from such factors as the agency's ability to provide quick response time, reliable information, problem solving and flexibility, the agency continues to gather information from customers to assess current service levels. Information is obtained from several sources, including surveys of our walk-in customers, internet users and clients; evaluations of our programs, services and facilities; and meetings with industry, board members and associations. Other steps taken to assess customer satisfaction include the establishment of focus groups and the development of partnerships with industry-related organizations. While the process of obtaining customer information is on-going, significant information obtained so far has resulted in several process improvement measures which impact customer satisfaction.

Some of the major achievements relating to this strategic goal include:

- 1) The Safetyworks! campaign launched in 1999 as part of an effort to educate businesses about free services available through the Office of OSHA Voluntary Programs (OVP) continues to succeed. The Safetyworks! campaign has resulted in 32,023 hazards being corrected in South Carolina workplaces and saved \$17.5 million in fines for South Carolina employers since its inception. **South Carolina continues to lead the nation in OSHA state plan states with 42 Palmetto Star sites**, despite having the strictest requirements in the nation. This program, which is voluntary, provides recognition to qualified employers who exceed the requirements of the Occupational Safety and Health Act of 1970 in providing their workers a safe and healthy worksite. Palmetto Star sites' injury and illness rates and total lost workday incident rates are 84% below the South Carolina Bureau of Labor Statistics rates.
- 2) Our nationally recognized fire safety education and prevention program, "Freddie in Schools" was delivered to 285,000 students in grades K-5. This partnership with the Department of Education and the Division of Insurance Services continues to yield great results. **Fire deaths among children 10 and younger have decreased 78% since the program was expanded in FY97 to include students in grades 2-3 and 4-5.** Research has shown that prevention is a key ingredient in addressing the rising number of fire deaths and the impact the "Freddie" program has had reflects that research. The "Freddie in Schools" program costs

approximately 50 cents per child to produce and is provided free of charge to requesting schools statewide.

- 3) The United States Department of Labor announced in December that South Carolina's injury and illness rate for private industry is 5.5, down from 1999's rate of 5.7. **This is the lowest rate in the 29-year history of the state OSHA program.** The total case rate dropped from 7.2 in 1992 to 5.5 in 2000, a 23.6 percent decrease. South Carolina continues to have one of the lowest rates in the United States.
- 4) The Agency Head and key staff have played a key role in the Workplace Security Committee formed by Governor Hodges after the events of September 11. Director Rita McKinney chaired the committee. The committee recently unveiled a blueprint for state businesses to follow to protect their employees and job sites from terrorism or sabotage. The guide, entitled "Prepare, Prevent, Protect – Best Practices Workplace Security", was prepared by the committee following an extensive survey of the security needs of South Carolina's employers. The committee is composed of leading health and safety experts from a wide range of industries in South Carolina and representatives from public health agencies, the SC Chamber of Commerce, the SC Manufacturers' Alliance, fire service, law enforcement and LLR. Businesses are asked to develop a security plan for their work sites that includes risk assessment, security processes and crisis management. The guide is available free of charge on the Internet or by calling LLR. The establishment of this committee is the first of its kind in the country. The guide is being cited as a model for other states and businesses throughout the country for use.
- 5) The agency has developed a unified information technology strategy and platform to support its business needs and improve customer service. Several initiatives are underway in this area which significantly address service delivery:
 - ReLAES, the agency's consolidated licensing system provides a common database of all POL licensees, the ability to renew on-line and a common licensing system. In addition to having a system written in one programming language as opposed to the piecemeal approach of using five different languages, greater accountability has been achieved in the agency's financial processes. The implementation of ReLAES has reduced the number of temporary employees required for licensing. Currently, almost one half of approximately 255,000 POL licensees are on the ReLAES system.
 - The agency continues to improve its much-accessed website which has won numerous awards from the *South Carolina Press Association*. Since January 1, 2001 LLR has accumulated 5,496,848 hits, making it one of the most visited sites in South Carolina State government.
 - The Licensee Lookup System, which was expanded and improved this year, provides POL customers with immediate access to licensure information. In FY02 there were 1, 872,705 hits on the Licensee Lookup System with 2,418,436 separate requests for information such as license number, city, company, name, etc. This system relieves staff from a tremendous workload of responding to license verification requests and provides customers with the information they need immediately.

- 6) During the FY01 legislative session, the SC Firefighters Employment and Registration Act was passed. This Act establishes a database of firefighters in South Carolina that is maintained at the Office of the State Fire Marshal and requires that all volunteer and paid firefighters, except those grand-fathered in by the legislation, working for local fire departments pass a background check conducted by SLED. An on-line Firefighter Registration web page was developed and to date over 12,000 firefighters have registered.

Maximize Employee Satisfaction

Maximizing employee satisfaction has taken on greater importance in the light of the economic hardships that have confronted the agency and the increased workload associated with budget reductions. Another significant factor in our employee's well-being and security were the events of September 11 and the impact the events have had on our employees, both personally and professionally. Continuing its commitment to an open-door policy, the agency's Leadership Team held individual employee meetings as well as group meetings throughout the year. This emphasis on communication allowed a great deal of focus to be placed on the ideas, issues and concerns of all agency employees. Major accomplishments involving the goal of maximizing employee satisfaction included:

- 1) LLR was able to place ten employees affected by the agency's reduction-in-force plan in positions in other parts of the agency. No employees were terminated last year as a result of budget reductions. In May, LLR also offered a voluntary retirement incentive program to Division of Labor employees. Anticipated savings derived from this program will offset to some degree future budget cuts.
- 2) Agency supervisors completed 100% of their performance evaluations in a timely manner. Agency supervisors continue to get annual EPMS training and assistance from Human Resources in the setting of appropriate and meaningful success criteria.
- 3) A team of 15 non-management and management employees was established during this review year to develop and draft an agency employee reward and recognition program. The team completed the following objectives:
 - Surveyed LLR employees for their feedback and input
 - Identified monetary and non-monetary recognition and rewards
 - Developed guidelines and set criteria for the program

A draft proposal has been submitted to the Leadership Team for their review and approval. Many of the suggestions have already been implemented. The Leadership Team began several non-monetary recognition methods this fiscal year such as sending thank you notes signed by the Leadership Team to employees who worked on a special project. The Leadership Team also hosted and paid for an employee appreciation day luncheon for all agency employees that included door prizes, comedy routines and a dance contest.

- 4) A systematic employee training needs assessment was performed in October and November 2001. Supervisors were provided copies of their staffs' input and the Leadership Team received a compilation of the assessment for their review. The Leadership Team is compiling this information to write the agency's training plan.
- 5) LLR surveyed all employees on their overall opinion of how their supervisors and managers were doing in the following areas: Communication; Teamwork; Decision-making; Organizational Structure; Courtesies; and Rewards, Recognition and Appreciation. The average score agency-wide was a 3.3 out of a possible 5. The highest scoring category was Courtesies with an average score of 3.5 out of 5. The lowest scoring category was Decision-making. LLR's Leadership Team received the results of the survey for their individual areas. Steps to address issues discovered in the survey have been developed and incorporated into the agency's strategic plan.

Another noteworthy achievement is the agency's turnover rate which has decreased from 8.15% in FY00 to 5.52% this fiscal year.

Efficient Use of Resources

The agency has continued to take extensive steps to maximize the efficient use of resources. Major program outcomes are as follows:

- 1) LLR was selected as one of six agencies that received the Governor's Taxpayers Award for the agency's Cost Savings Team. The team was recognized for the implementation of a consolidated licensing system, which will result in 255,000 licensees being able to renew licenses by credit card on-line. Currently, 125,000 licensees have this capability. Also noted was the placement of over 100 forms on LLR's website for downloading by its customers. Approximately 30,000 requests to download these forms were received last year that resulted in significant savings in printing and postage costs. Another program, Licensee Lookup, allowed tens of thousands of previously mailed verification requests to be handled electronically, which also saves thousands of dollars annually. For example, the Board of Medical Examiners alone had over 40,000 web requests for physician license verifications. In the past these verifications would have required significant staff time to handle.
- 2) A "loaner" program was established that sent support staff from the Division of Labor to assist staff in the Professional and Occupational Licensing and Fire and Life Safety Divisions. The agency saved \$37,000 in state appropriation by loaning these employees to other funded programs. These temporary assignments of support staff correlates with the agency's cross-training efforts and will continue within all programmatic areas and between programs during the next fiscal year.
- 3) The agency also offered a voluntary early retirement incentive program for the Division of Labor. This offer was accepted by four employees and the savings from their salaries and associated employer contributions totals \$207,612.

- 4) The agency's expenditure review team continued to implement cost-savings measures throughout the agency. Since FY1999, telephone, postage and leased vehicle expenditures have been reduced by \$345,792 or 21%. The elimination of reimbursement for meals for travel not requiring an overnight stay has resulted in savings of \$94,000. Agency-wide operating costs have decreased by \$1,347,653 or 14.41% since FY99.
- 5) Fees increases were recommended for POL boards which were not self-sufficient. This is a last resort measure and it is taken only after extensive cost-saving measures have been implemented. At year-end, the percentage of boards with an annual deficit decreased from 21 in FY1999 to three (3) in FY2002. In FY99, the number of boards that could not cover their operating costs was 21 or 54%.

KEY BUSINESS DRIVERS

LLR's key business drivers include:

	<u>FY02</u>
• Percentage of businesses in voluntary compliance with OSHA	100%
• Customer Satisfaction Levels – POL (10 is highest)	8.02
• % of licenses issued within benchmark processing times	96%
• South Carolina injury and illness rate(private sector)	5.5
• Fire deaths	76
• Firefighter deaths	3
• Students receiving Freddie-in-Schools fire prevention curriculum	285,000
• Elevator and amusement ride fatalities	0
• Number of POL licenses verified by Internet	2,418,436
• Number of POL license applications processed	238,614
• Employee turnover rate	5.52%
• EPMS's completed on time	100%
• Website visitors	610,080
• Fire Academy students	20,988
• Fire Code violations corrected	4,295
• Wages collected for employees	\$1.6M

II. BUSINESS OVERVIEW

Effective February 1, 1994, Act 181 created the South Carolina Department of Labor, Licensing and Regulation (LLR) which merged the Department of Labor, the State Fire Marshal's Office, the South Carolina Fire Academy and 38 professional and occupational licensing boards into the new agency. The diverse composition of LLR creates a complex organizational structure with many unique management challenges.

The legislation empowered the Governor to appoint a director of the agency with the advice and consent of the Senate.

LLR is organized into four divisions: Fire and Life Safety; Labor; Professional and Occupational Licensing (POL); and Administration. The Fire and Life Safety Division is located in Columbia on Monticello Trail at the State Fire Academy. The Division of Labor is housed at 3600 Forest Drive in Columbia. The Divisions of Administration and Professional and Occupational Licensing are located at 110 Centerview Drive in the Kingstree Building, also in Columbia.

LLR has 456.93 FTEs, but a significant number of these, 73, remain vacant because of the recent budget cuts. Although the number of employees at LLR is not large, the agency is perhaps the most complex in state government when assessing its complexity in terms of management and impact on the state as a whole.

Our customers include the 2,000,000 employees of the State, the 100,000 employers, 255,000 licensed professionals, 18,000 firefighters, 750 fire departments, 300 board members of the Professional and Occupational Licensing Division and everyone who is regulated by our statutes. LLR's customers are also the citizens of South Carolina and visitors to our State who use the services of those we license and/or regulate. Other customers include the Governor, the State Legislature and other State agencies.

Major products and services of our agency include:

- Administering laws that pertain to employer/employee relationships such as occupational safety and health, payment of wages, child labor, migrant labor and mediation of disputes between unions and businesses.
- Regulation of elevator and amusement rides in South Carolina.
- Providing courtesy inspections, technical assistance and training to aid the business community in voluntary compliance with all areas of the Occupational Safety and Health Act.
- Licensing of numerous occupations and professionals such as accountants, doctors, nurses, massage therapists, barbers, residential builders, etc..
- Training the state's fire service personnel – paid, volunteer and industrial.
- Ensuring compliance with national and state-adopted fire safety codes and standards.

Our budget is currently \$30 million of which \$5.88 million are state funds. (See attached chart for further information.)

Accountability Report Appropriations/Expenditures Chart Example

Department of Labor, Licensing and Regulation

Base Budget Expenditures and Appropriations

	00-01 Actual Expenditures		01-02 Actual Expenditures		02-03 Appropriations Act	
Major Budget Categories	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$15,442,378	\$4,349,366	\$15,402,726	\$3,995,632	\$15,456,402	\$3,887,730
Other Operating	\$8,705,631	\$1,338,208	\$8,004,229	\$887,299	\$10,941,864	\$827,096
Special Items	\$100,881	\$	\$95,052	\$	\$105,000	\$
Permanent Improvements	\$110,000	\$	\$15,000	\$	\$	\$
Case Services	\$	\$	\$	\$	\$	\$
Distributions to Subdivisions	\$	\$	\$306,176	\$	\$	\$
Fringe Benefits	\$4,129,735	\$1,159,315	\$4,315,750	\$1,185,974	\$4,170,049	\$1,173,836
Non-recurring	\$	\$	\$	\$	\$	\$
Total	\$28,488,625	\$6,846,889	\$28,138,933	\$6,068,905	\$30,673,315	\$5,888,662

Other Expenditures

Sources of Funds	00-01 Actual Expenditures	01-02 Actual Expenditures
Supplemental Bills	\$	\$
Capital Reserve Funds	\$	\$
Bonds	\$	\$

III. ELEMENTS OF MALCOLM BALDRIGE AWARD CRITERIA

LEADERSHIP

Senior leaders in the agency communicate short and long term direction through the agency's strategic plan. The Agency Director continually communicates her vision to the agency and ensures progress by establishing objectives and action plans which involve every employee of the agency. The strategic plan is tied to every employee's performance evaluation so that there is a clear understanding of expectations. A training needs assessment was conducted in FY02 and the data is being used by agency management to develop a training plan for the agency. This is the first year that the training plan was tied to the employee's performance planning stage.

The organizational values of the agency represent its guiding principles. The way leaders at LLR conduct their business and make decisions is a reflection of who they are. Senior leaders not only model these beliefs, but also articulate them throughout the agency. The intent of the Leadership Team is to demonstrate the values in all communications with customers and employees.

Senior leaders promote a focus on customers by establishing customer satisfaction and service measures as key business drivers. Also, the agency's internal newsletter highlights superior service providers monthly. The characteristics they display reiterate the Leadership Team's commitment to providing excellent customer service. Each division monitors customer satisfaction systematically. In the POL Division customer surveys are included on each board's web page, attached to online renewals and requested from every walk-in customer. The Division of Administration conducts formal and informal surveys each year of its internal customers. The Division of Fire and Life Safety conducts on-going course and facility evaluations of the State Fire Academy along with surveys of Fire Marshal inspection clients. The Division of Labor surveys those who receive the services of OSHA Voluntary Programs.

The agency's Leadership Team, along with their managers, monitors performance measures on a regular basis, usually quarterly. Some of the more key measures focused on include:

- Processing times for invoices, travel, personnel actions
- Customer Satisfaction Levels
- Processing times for permitting, licensing and investigations functions
- Injury and illness rates for South Carolina's top 5 most hazardous SIC codes
- Fire deaths and their root causes
- Effectiveness of the "Freddie" fire safety education and prevention program
- Turn-around time on investigations and inspections
- Hazards corrected
- % of applications that do not meet criteria for licensure
- Complaints against licensees
- Lapse time between complaint and investigation

This information is used to monitor the impact of our services, enforcement techniques and educational programs. The information is also used as a guide to developing or revising programs or processes that will effectively accomplish our mission. One example is the number of fire deaths caused by the use of alcohol or drugs. In an effort to reduce the number of fire deaths among adults related to alcohol/drug use, the State Fire Marshal is partnering with the Department of Alcohol and Other Drug Related Substances and the SC Coroners Association to identify and incorporate fire education into already established outreach programs. Educational materials and programs on board specific licensure requirements for use by schools statewide are developed based on data that shows which professions have had a high percentage of applicants that do not meet the criteria for licensure. In the OSHA program, the injury and illness rates are monitored quarterly by specific Standard Industry Codes (SIC) and the industries with the highest rates are the focus of consultation and inspection services in an effort to lower the number of injuries and illnesses for that SIC code.

Every effort is made to use performance review findings and employee feedback to improve both our leaders and agency's effectiveness. Senior leaders receive feedback from employees during scheduled monthly meetings with their staff. They also have an open-door policy for employees and meet with every employee on at least an annual basis. The Director also meets with employees throughout the year. The feedback received is discussed at bi-monthly leadership team meetings. Director McKinney and the Leadership Team meet regularly with agency boards and their members and associations and advisory committees of the fire service, elevator and amusement ride program and professional and occupational licensees. The feedback received allows the leadership team to evaluate our progress and react accordingly

Also this year, a survey was conducted in an effort to gauge our employees' overall opinion of how their supervisors and managers were doing in the following areas: Communication; Teamwork; Decision-Making; Organizational Structure; Courtesies and Rewards; and Recognition and Appreciation. The average score agency-wide was 3.3 out of a possible 5.

The highest scoring category was Courtesies with an average score of 3.5 out of 5.

The highest scoring questions were:

- My supervisor is available to me for advice, information and assistance.
- I feel my supervisor is approachable.

The lowest scoring category was Decision-Making with an average score of 2.8 out of 5.

The lowest scoring questions were:

- I feel there is equality among agency employees.
- I am included in the decision-making process.
- Efforts are made to gather opinions, and I am made to feel my opinion counts.

LLR's Leadership Team received the results of the survey for their individual areas. Steps to address issues discovered in the survey have been developed and incorporated into the agency's strategic plan. Agency-wide results were shared with all employees.

The agency makes a concentrated effort to make the public aware of its products and services. LLR's website is one of the most frequently visited in state government. In addition, agency leaders frequently address customers at association and organizational meetings. Last year, our initiatives to reach out to our customers included:

- Speeches by the Agency Head, Leadership Team and Managers to business groups and associations.
- Partnerships with the Carolinas Chapter of Associated General Contractors, the SC Occupational Safety Council, the SC Workplace Security Committee and the SC Chamber's Safety and Health Committee.
- News Conferences and newsletters such as the OSHAGRAM.
- South Carolina Provides Assistance, Resources and Training for Non-English Speaking Residents of the State – SC PARTNERS, which focuses on assisting employers and employees with workplace issues, primarily focusing on safety and health hazards.

Other programs and accomplishments highlighted in news releases and on our website include:

- Workplace Security Advisory Committee and the Workplace Security Guide
- On-the-Job Injury and Illness and Fatalities Statistics for SC
- Workplace Safety Achievement Awards
- Child Labor Laws and Summer Employment
- Amusement Ride Safety and the State/County Fair Season
- Alert to Remind Employers of State Payment of Wages Law
- OSHA Voluntary Programs and Safety and Health Training Programs
- Availability of Free Mandated Posters (OSHA, Child Labor, etc.)
- Unlicensed and Unscrupulous Well-Drillers
- Use by Teens of Cosmetic Contact Lenses
- Information on Working with Real Estate Agents
- Fireworks Safety
- Firefighter Mobilization
- Fire Prevention
- Arson Awareness Week
- Fire Deaths in South Carolina

Our senior managers encourage participation in associations related to their profession. Active participation in national associations such as the Council on Licensure, Enforcement and Regulation (CLEAR), National Association of Governmental Labor Officials (NAGLO), Occupational Safety and Health State Plan Association (OSHSPA) and National Association of Nursing Board Administrators as well as governmental associations like the SC Government Finance Officers Association (GFOA) and International Personnel Management Association (IPMA) is encouraged. Several of our employees have served as officers in these organizations.

Senior managers also encourage our agency's active involvement with the local community. Our employees have adopted the first graders at E. E. Taylor Elementary School. This year we

sponsored a visit to the Columbia Marionette Theatre and Puppetry Center, a trip to Riverbanks Zoo and a tour of the State House. The committee in charge of these activities raises monies to support their efforts through employee hot dog, book and bake sales. Monetary support is also provided to LLR employees and their families during crisis situations. Our employees are counselors at summer camps for children burned in fires. Other community groups supported include the United Way, American Red Cross, First Ladies' Walk for Cancer and American Cancer Society's Relay for Life. LLR employees, POL board members and POL licensees participated in the Groundhog Job Shadow Day sponsored by the Department of Education, LLR and the Employment Security Commission in February 2002. Participation in these important community events reinforce the agency values of treating people with respect and acting with integrity.

STRATEGIC PLANNING

Our Agency Head and members of our Leadership Team continue to make progress in accomplishing the goals set forth in our agency's strategic plan.

The three goals are:

By 2001: To be recognized in the Southeastern US as a leading state government agency.

By 2002: To be recognized in the US as a leading state government agency.

By 2005: To have the specific performance measures in place to track progress toward being the best state government agency in the US.

To help us gauge our progress, we measure our performance and improvement in these three areas:

- Employee Satisfaction
- Customer Satisfaction
- Efficient Use of Resources

During FY02 the Leadership Team, with input from key managers, revisited the goals set and progress made during the previous year. Action plans for all divisions were updated to reflect accomplishments made during the previous year and new or revised plans needed for the upcoming fiscal year. Significant progress was made during FY02 in accomplishing our goals of improving customer and employee satisfaction and the efficient use of agency resources.

The Leadership Team, using tools learned at a seminar sponsored by the SC State Government Improvement Network in December, did a self-assessment of the customer focus category of this report. A brainstorming session was held to determine the best way to gather information and report on the processes in place agency-wide to identify our customers, determine their requirements and best meet their needs.

The strategic planning process has created a forum for continuous improvement processes throughout the agency. This year's emphasis was on accomplishing the activities set forth in each division's action plans. The agency is proud of the employee involvement in the strategic planning process and the effort to tie each employee's EPMS to the plan. The Leadership Team meets quarterly to review the work done in the past quarter toward the action plans developed by each division to accomplish our three strategies. Significant strides have been made in the areas of Customer Satisfaction, Employee Satisfaction and Efficient Use of Resources which are outlined in the Customer Focus, Human Resources and Process Management portions of this report. Budgeting decisions are guided by the priorities of the strategic plan and are allocated appropriately.

CUSTOMER FOCUS

The Department of Labor, Licensing and Regulation continues to emphasize the importance of customer satisfaction to all of our employees. Maximizing customer service is one of the agency's top three strategic objectives.

During the strategic planning process our customers were identified as the following:

- 2,000,000 Employees in South Carolina
- 100,000 Employers in South Carolina
- 255,000 Licensed Professionals
- 18,000 Firefighters
- 300 Board Members of the Professional and Occupational Licensing Division
- 750 Fire Departments

LLR's customers also include the citizens of South Carolina and visitors to our State who use the services of those we license and/or regulate. Other customers include the Governor, the State Legislature and other State agencies.

As mentioned above, the Leadership Team, using tools learned at a seminar sponsored by the SC State Government Improvement Network in December, did a self-assessment of the customer focus category of this report. This re-focus on the customer focus category led to our divisions reexamining who their customers are and what their key requirements and needs are. Below is the data developed from the Professional and Occupational Licensing Division on their customers and requirements:

Major Customers and Key Requirements	
Customer	Requirements

SC Department of Labor, Licensing and Regulation FY2001-2002 Annual Accountability Report

Applicants	Information on licensing requirements; organized, accurate, simple and timely licensing process
Licensees	Organized, accurate, simple and timely renewal process; fair and timely complaint handling; reasonable/valid continuing education requirements; timely communications
Services consumers	Thorough and accurate licensing process to ensure public protection; fair and timely complaint handling; reasonably available licensee information; timely communications
General public	Thorough and accurate licensing process to ensure public protection; fair and timely complaint handling; reasonably available licensing and licensee information; timely communications; prudent use of licensure-generated revenue - cost efficiency and effectiveness
Board Members	Necessary administrative support and oversight; fair and equitable treatment in the distribution of available resources
Other state licensing entities	Thorough and accurate licensing process to ensure public protection; fair and timely complaint handling; reasonably available licensee information; timely communications
Students	Information on licensing requirements

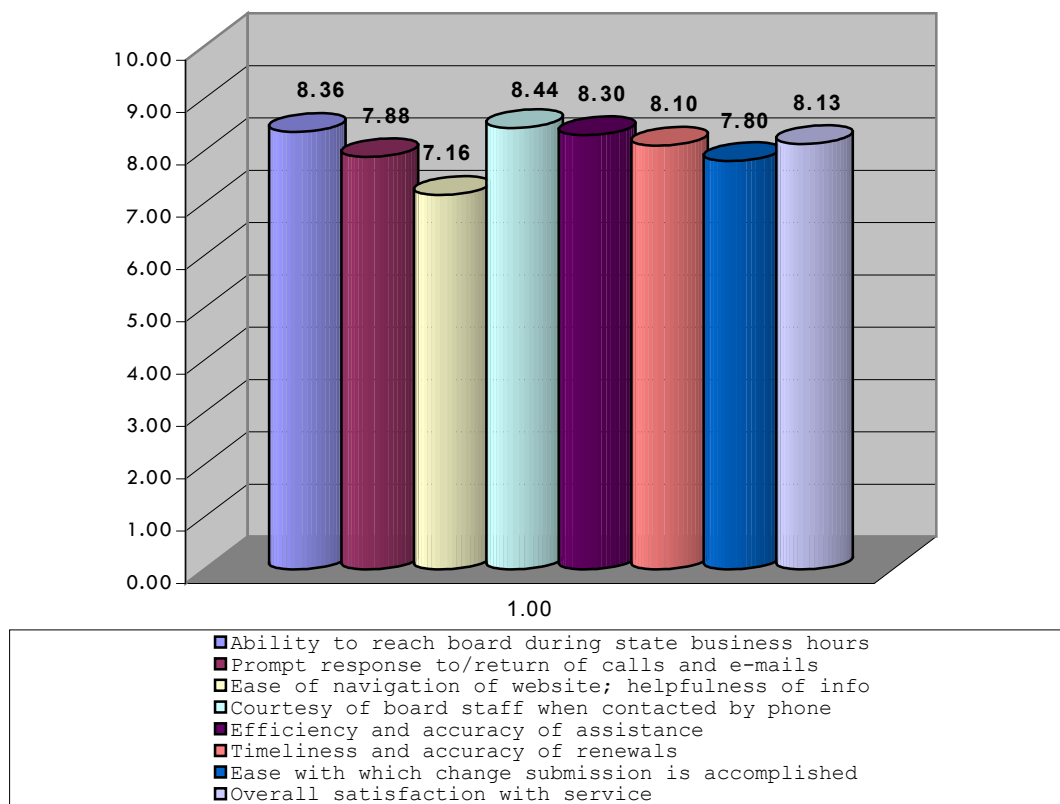
Director McKinney and the Leadership Team spend a considerable amount of time meeting with our customers to determine their level of satisfaction, ideas for improvement and expectations of our services. She and her senior staff meet regularly with agency boards and their members and associations and advisory committees of the fire service, elevator and amusement ride program and professional and occupational licensees.

This year greater emphasis was placed on gathering information on current service levels from our customers. Surveys were developed for our walk-in customers, internet users and clients. Evaluations of our programs, services and facilities have been obtained. One-on-one contact

through correspondence, telephone and focus groups was also utilized. Information gathered is shared with managers and employees and is used to improve processes, update legislation and enhance services as needed.

For example, in our POL Division, a Customer Satisfaction Survey is used to gather data on customer desires and complaints as well as performance. The survey is used both for internet and walk-in clients. Survey information is transmitted to Assistant Deputy Directors (ADDs) on a regular basis. Data indicating either urgency or dissatisfaction is transmitted to the ADDs immediately for appropriate action/response. Survey results are regularly discussed during management meetings and solutions considered where appropriate to all. Other considerations and decisions are made in individual management offices.

POL Customer Satisfaction - FY02



Use of the survey also serves as a way to build positive relationships with key and other customers and stakeholders. Providing immediate action in response to survey comments and questions serves to show that POL desires to meet the needs and address the concerns of customers.

Another division, Fire and Life Safety, also developed several new survey tools this past year. A postcard survey given to businesses which received an inspection by a Deputy State Fire Marshal showed 96% of those polled rate the services as satisfactory. 98% of the teachers surveyed stated the “Freddie” fire safety education and prevention program was an effective method of teaching K-5 students. The information gathered from surveys and direct communication with advisory committees, associations and focus groups led to several operational improvements. They include:

- Updating the web page information with current standards and regulations.
- Developing a standard test schedule for licensing and permitting – 1st and 3rd Fridays.
- Beginning the use of credit card for payment.
- Cross-training employees for maximum customer service.
- Developing an inspection checklist for Deputy State Fire Marshals.
- Instituting a web page inspection request for Department of Social Services.
- Developing information packets for licensing and permitting process and the plan review process.
- Partnering with Dept. of Education for uniform code enforcement in schools.
- Writing bi-monthly articles for S. C. Propane Gas Association.
- Updating licensing tests to incorporate current standards and regulations.

The agency continues to enhance the profile of the Department of LLR among the citizens of the state. During the fiscal year, the following parts of the plan were accomplished:

- Developed and implemented a brand (logo) for the agency that communicates to the public about who we are and what we do. Development of the brand included consultation with three of the top public relations firms in the state.
- Communicated information about the agency’s strategic plan, including the mission and core values, through the use of LLR’s newsletters whose target audience includes employers, licensees and firefighters.
- Distributed news releases to the media about agency programs and accomplishments.
- Identified and communicated to the media a list of LLR experts on specific topics the media can call on as they develop stories.
- Redesigned and enhanced Internet sites to make them more customer friendly.

LLR will continue to monitor its customers’ needs and whether they are being met in a satisfactory manner.

INFORMATION AND ANALYSIS

The key business drivers shown in this report were selected to show our effectiveness on improving the safety and well-being of South Carolina citizens and visitors. These performance measures were chosen because they correlate with our agency’s mission and goals and also with our customers’ needs. The agency’s three strategic objectives of maximizing customer satisfaction, employee satisfaction and the efficient use of resources when identifying key measures were also considered.

Our key business drivers include:

- Percentage of businesses in voluntary compliance with OSHA
- \$\$\$ saved in OSHA penalties by businesses using OSHA Voluntary Program Services
- South Carolina injury and illness rate
- Customer satisfaction levels
- Processing times for permitting, licensing and investigations functions
- Fire deaths in adults
- Fire deaths in children
- Firefighter deaths
- Students receiving Freddie-in-Schools fire prevention curriculum
- Elevator and amusement ride fatalities
- Number of POL licenses verified by Internet
- Number of POL license applications processed
- Employee turnover rate
- EPMSs completed on time
- Website visitors
- Fire Academy students
- Fire Code violations corrected
- Wages collected for employees

One of the objectives of our strategic plan is to make sure we are measuring the right things. Do the measures we use correlate to our agency's mission and the needs and desires of our customers? During this past year great emphasis was placed on developing performance measures that accurately measure the effectiveness of our programs, the satisfaction of our customers and the progress we have made in achieving our three strategic objectives. Meetings were held with Leadership Team members and their managers to educate them on the importance of performance measures and what they should tell us as managers. Several handouts were developed that included information on developing performance measures, performance measures currently in use by similar entities and website links to additional information.

To ensure that key requirements are met, data is collected on day-to-day operations agency-wide. There is also direct feedback received via contacts with customers and stakeholders. This information is used to change or recommend changes to services or the method(s) in which services are provided.

New measures developed reflect our performance in the following areas:

- Cost of services/products
- Complaint History
- Productivity
- Customer Satisfaction
- Lapse-Time

Several examples of improvements initiated by information gathered are listed below:

- A Office of Wages and Child Labor complaint form was added to the web page to provide easy access for clients.
- A web page inspection request for Department of Social Services was started.
- Information packets on licensing, permitting and plans reviews processes at the Office of the State Fire Marshal were developed.
- Licensing tests were updated to incorporate current standards and regulations and a standard testing schedule was begun.
- Legislation (Bill # 3840) was introduced which will require state agencies to adopt the most recent edition of building codes and to provide an abbreviated method of so doing by utilization of the Administrative Procedures Act.
- The Residential Builders Commission continues to cooperate with local building codes officials to resolve consumer complaints regarding code enforcement issues. Referrals are made to local officials for complaints for residences less than two years old. Training began in July 2001 for local building officials on processes and procedures for handling such complaints.
- Orientation and continuing education opportunities were provided to applicants and licensees at conferences this fiscal year through a partnership with the South Carolina Academy of Audiology and the South Carolina Speech-Language-Hearing Association. The package developed will be used routinely and updated as appropriate.
- A new practice act was developed, drafted and passed with the help of the South Carolina Chapter of the National Association for Social Workers and the South Carolina Society of Clinical Social Workers.
- Training for our elevator inspectors was provided free of charge through partnerships with elevator businesses, such as ThyssenKrupp Elevator Company.
- The POL's revenue coding project was implemented. This effort resulted in uniformity in reporting not only for financial purposes but for program operations as well. It has been expanded to include all common data elements and should be completed during fiscal year 2002-2003.

Data quality, completeness and availability remain problematic for all divisions because of the separate computer software systems used agency-wide. This problem will be somewhat rectified with the full implementation of a new data system currently being installed. Development of a reporting module will ensure data quality, reliability, completeness and availability. Until that time, managers will continue to monitor workflow including processing times and potential problem areas and make adjustments as required to ensure accuracy in reporting. Periodically, reports are reviewed and compared for accuracy and completeness and necessary changes are implemented. Quality improvement efforts are currently based on these manual quantitative reviews as well as qualitative reviews which include feedback from customers.

More information on how the data collected is used in the decision-making process is under the Leadership Category on pages 12 and 13.

HUMAN RESOURCE FOCUS

LLR considers our employees our most valuable asset and, because of this, one of our key strategic objectives is to maximize employee satisfaction. During the past year our managers have focused on LLR's human resources and the employee satisfaction objective extensively. The human resources system must address needs including effective recruitment; equitable compensation; results-oriented performance management; retention and developmental efforts; and workforce planning. All of these needs are covered by action plans in our strategic planning process.

In an effort to identify best practices, benchmarking and organizational experiences with successful businesses, senior executives from Cryovac Sealed Air Corporation presented a workshop for the agency's Leadership Team and managers. Mr. Don Watt, Global HR Vice President and Mr. Clarence Whittenberg, Director of Training and Organizational Development, spoke to this group on the following topics: "Keeping the Focus During Periods of Downsizing," "Workforce Planning/Succession Planning," and "Value Added Human Resources." These individuals were contacted to make a presentation to the Leadership Team because the South Carolina Chambers of Commerce named them "HR Practitioners of the Year." Managers and supervisors also enhanced their skills by attending required supervisory training courses offered by the Office of Human Resources and EPMS training conducted internally.

One of the most important methods of encouraging and motivating employees is through the Employee Performance Management System (EPMS). The agency has maintained its goal of 100% participation in the EPMS process for the July 1, 2002 Universal Review Date period. The agency continues to audit EPMS evaluations as they are submitted to the Human Resources office for linkage of employee performance to the strategic plan.

During the EPMS on-going communication stage, supervisors were encouraged to meet informally with employees each quarter or at least a minimum of once during the EPMS appraisal period to discuss their positive performance, listen to any concerns and provide constructive feedback. For supervisors' convenience, an electronic form was created to document the informal coaching sessions.

The Human Resources office also met with supervisors to discuss the total EPMS process and to develop elements and standards that measure employee accomplishments and that set performance expectations and goals for all employees. Approximately 75 LLR supervisory and non-supervisory employees have been targeted for further training on the EPMS process.

Another way to encourage and motivate our employees is through recognition. LLR does this through several means. The LLR TIMES highlights an LLR "Superior Service Provider" employee in each monthly newsletter. As part of "Public Service Recognition Week," the LLR Leadership Team sponsored an agency-wide picnic in May to recognize LLR employees and the outstanding job they do. The Director highlighted each division in emails sent agency-wide during this week.

During the past year a team of 15 non-management and management employees was established to develop and draft an agency employee reward and recognition program. The team completed the following objectives:

- Surveyed LLR employees for their feedback and input
- Identified monetary and non-monetary recognition and rewards
- Developed guidelines and set criteria for the program

A proposal was submitted to the Leadership Team for their review and approval. Many of the suggestions have already been implemented, including sending thank you notes signed by the Leadership Team to employees who worked on a special project. The Leadership Team also hosted and paid for an employee appreciation day luncheon for all agency employees.

In addition, extensive cross-training efforts exist throughout the agency. Cross-training employees enhances individual employee skills, assists with succession planning and uses human resources more effectively.

A systematic employee training needs assessment was performed in October and November 2001. Supervisors were provided copies of their staffs' input and the Leadership Team received a compilation of the assessment for their review. The agency is a member of the Cabinet Agency Training Consortium (CATC) which provides supervisory, leadership, quality management and technical training free of charge. In an effort to work within budgetary constraints and in order to continue to train employees, the majority of our employees are receiving training through the CATC rather than external vendors. LLR has plans to establish an agency training plan in the upcoming fiscal year.

In 2001, LLR surveyed all employees on their overall opinion of how their supervisors and managers were doing in the following key areas: Communication; Teamwork; Decision-Making; Organizational Structure; Courtesies; and Rewards, Recognition and Appreciation. The average score agency-wide was 3.3 out of a possible 5.

The highest scoring category was Courtesies with an average score of 3.5 out of 5.

The highest scoring questions were:

- My supervisor is available to me for advice, information and assistance.
- I feel my supervisor is approachable.

The lowest scoring category was Decision-Making with an average score of 2.8 out of 5.

The lowest scoring questions were:

- I feel there is equality among agency employees.
- I am included in the decision making process.
- Efforts are made to gather opinions, and I am made to feel my opinion counts.

LLR's Leadership Team received the results of the survey for their individual area. Steps to address issues uncovered in the survey have been developed and incorporated into the agency's strategic plan. Employee well being, satisfaction and motivation are also determined informally

through such mechanisms as employee suggestion boxes and open door policies. Formal meetings are held in each division with all employees. Some areas in the agency hold informal quarterly meetings such as “Eat In, Speak Out” to meet, discuss issues and enjoy fellowship with one another. In addition, the Agency Director meets with groups of employees throughout the year.

Several new programs were initiated and other programs continued this year to improve the well-being and satisfaction of our employees. They include:

- Weight Watchers Program
- Yoga Classes
- Line-Dancing Classes
- Benefits Fair and Pre-Retirement Seminar
- Lunch n’ Learn Programs

In response to the events of September 11, the Agency also developed internal emergency preparedness and evacuation policies and procedures for all agency sites. Emergency plan coordinators and wardens were identified for each office. Training was provided to all employees on the following topics:

- General emergency preparedness guidelines and procedures
- Emergency evacuation procedures in the event of fire
- Emergency procedures for criminal and/or suspicious behaviors
- Emergency preparedness procedures for severe weather
- Emergency preparedness procedures and evacuation plans for bomb threats

To address the stress and mental well being of our employees after the attack, Dr. Bonnie Montgomery conducted a training session on “Coping with Stress in these Troubled Times” which was open to all employees.

Through the hard work and cooperation of the agency’s Leadership Team and managers, LLR was able to place employees affected by the agency’s reduction in force plan in positions in other parts of the agency. No employees were terminated last year as a result of budget reductions. In May, LLR also offered a voluntary retirement incentive program to Division of Labor employees. Anticipated savings derived from this program will offset to some degree future budget cuts.

Other key human resources initiatives undertaken this year include:

- LLR reached parity in six of the seven Equal Employment Opportunity (EEO) categories utilized by the agency in our Affirmative Action Plan. LLR did not achieve parity in the entry-level professional category (E2B). During the past few months agency representatives have worked closely with the State Human Affairs Commission to evaluate our various designations and reexamine the methodologies used. We continue to place great emphasis on our affirmative action efforts for all categories in our agency’s plan.
- LLR took part in several career fairs including Benedict College, Allen University, S.C. State University, Claflin University and Columbia College in an effort to publicize the

agency and reach minority groups. LLR vacancy postings are sent to the National Association for the Advancement of Colored People (NAACP), the Columbia Urban League and the Legislative Black Caucus as well as other associations that can assist the agency in recruitment efforts.

The Human Resources Office has worked with the Agency Director, the Leadership Team and supervisors in identifying potential situations within departments and to assist supervisory personnel in resolving minority placement in regard to the agency's Affirmative Action goals. We will continue to address areas of underutilization through recruitment efforts as well as in reviewing promotions and internal career opportunities.

- LLR conducts exit interviews and a quarterly report is compiled and shared with the Leadership Team. The agency also began examining turnover rates in various programmatic areas. In FY2000 the turnover rate was 8.15%; for FY2002 it is 5.52%.

PROCESS MANAGEMENT

To reach our goal of efficient use of resources and to improve the delivery of our services, a unified agency Information Technology (IT) strategy and platform has been implemented. This plan supports the business needs of our employees and managers in all divisions, as well as enhancing the level of service received by our customers.

LLR continues to make significant progress in creating a unified information technology strategy and platform to support our business needs. The most significant component of this strategy is the consolidated licensing system, *Regulatory, Licensing and Enforcement System* (ReLAES), which provides a common database of all POL licensees, the ability to renew on-line and a common licensing system. Currently, almost one half of all POL licensees are on the ReLAES system. A team was formed with representatives from the POL boards and Administration to develop uniform business practices for revenue receipt, object codes, auditing, permitting and licensing and recordkeeping. The team identified best practices from the existing board procedures, then developed and implemented more efficient and effective uniform procedures for use by all ReLAES users. The ReLAES users are now able to download onto tape their deposits for the Comptroller General's Office, which eliminates keying errors by both LLR and Comptroller General staff.

Microsoft Office has been established agency-wide as the office software standard and is installed on 100% of agency workstations. While some workstations do have non-standard office software on them also, these are for use when working with specialized templates or print format requirements that are required by federal agencies, court and media outlets. No non-standard office software or hardware was purchased in FY02.

With the implementation of ReLAES, the number of temporary employees has been reduced by four. This saves the agency at least \$64,000 annually. Furthermore, on-line renewal reduces the

need for temporary help to open mail and process paperwork. Agency-wide, the cost of temporary employees has been reduced \$314,681 (23.5%).

Numerous work forms have been converted to word processing templates. Along with the work forms, agency newsletters, brochures, codes of laws, etc. have also been added to the website. By allowing our customers to view, download and print these documents on an as-needed basis we save staff, printing and postage costs. It has also allowed the documents to be submitted electronically. Agency-wide, the cost for printing and postage has decreased \$253,891(19.4%) since FY99.

Another initiative, Licensee Lookup, continues to save the agency thousands of dollars in staff and associated printing and postage costs. It allows licensee verifications to be done electronically without the intervention of LLR staff. While saving thousands of dollars in personnel and operating costs, it has also brought an essential public service directly to the desktops of customers and constituents. This year there have been 2,438,436 verifications done electronically on our licensees.

Our employees expressed concern about the cost of in-house publications and printing. This year, the agency's printed employee newsletter, was put on LLR's in-house website. This saved approximately \$7,000 annually in printing and postage costs. Other items, which previously were printed and/or mailed to employees that are now on the agency's Intranet site include:

- On-line LLR phone directory
- 40 human resources, finance and procurement forms
- LLR's Policy and Procedure Manual, Employee Manual, information on benefits, jobs and leave
- "Ask the Director" form
- Online submission of help desk and software service requests

A link was established on our Intranet site where employees could make suggestions on ways to save money agency-wide. Numerous suggestions were received and acted on. The site also received some suggestions on how to make money. The agency's funding sources are complicated and for the most part funds cannot legally be moved from one program area of the agency to another. While the cost-savings suggested for POL and Fire and Life Safety may not directly be used to offset general fund budget reductions, these savings are still extremely important to LLR as guardians of the citizen's tax dollars.

The Office of Public Information, with input from LLR employees and public relations experts statewide, developed a new agency brand (logo) to enhance the agency's profile and make LLR more recognizable and visible to the general public. The brand is used on everything the agency issues to the public, including web pages, letterhead, envelopes, fax covers, brochures and newsletters.

LLR continued to scrutinize administrative costs during FY2002. Activity-based budgets were developed for administrative functions including mail services, finance, procurement, human resource management and information services. Managers were asked to plan and have approved

training and travel requests for all employees at the beginning of the fiscal year. Input for changes to the cost distribution for administrative services was sought. As a result, the Division of Administration has reduced operating costs by 39% since FY99. An additional process improvement entailed the agency's Minority Business Utilization Plan. The agency exceeded its goal by 56% and strives to maintain this high percentage.

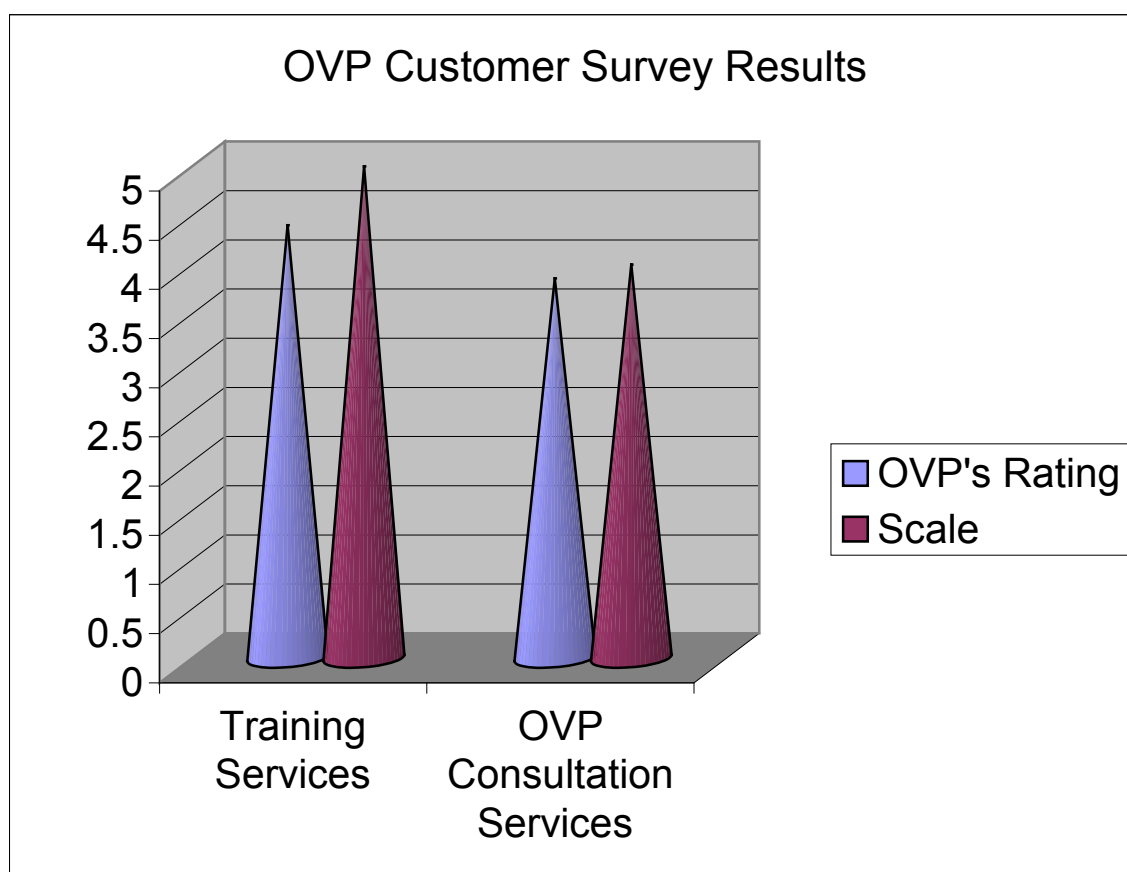
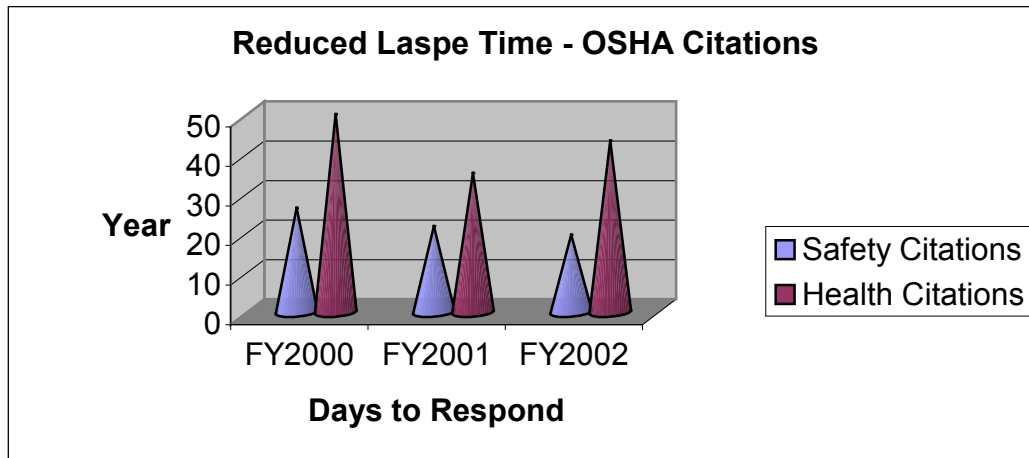
Also as part of its strategic planning efforts, the Division of Administration conducts on-going process reviews of Administrative functions including payroll, accounts payable, procurement and data processing. These reviews streamlined processes without loosening audit controls and allow the division to save money and keep vacant positions without hampering operations. LLR established benchmarks for further improvement and is in the process of implementing process reviews in other areas as well.

LLR remains committed to improving our processes. The strategic plan developed this year charges each division with systematically conducting periodic process reviews in units across the agency to identify "model processes" and processes that need improvement. This will provide divisions with factual information and comparison statistics for use in managing continuous improvement.

BUSINESS RESULTS

Customer Satisfaction

	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
% of general public polled with negative impression of LLR	*	*	9.10%	**
% of general public polled who recognized LLR	*	*	39.4%	**
* Information not collected for these fiscal years.				
** Because of budgetary constraints this poll was not conducted in FY02.				
\$\$ Saved in OSHA fines by businesses achieving compliance	*	6.7M	5.0M	4.4M
Approved Palmetto Star sites	34	36	37	42
Initiate workplace fatality investigation within one day	100%	95%	98%	100%



“Freddie” Program Testing

	FY99	FY00	FY01	FY02
% Increase in test scores – After delivery of “Freddie” fire safety education program				
Kindergarten	15%	23%	8%	26%
First Grade	16%	3%	8%	22%
2 nd Grade	30%	39%	44%	34%
3 rd Grade	50%	32%	16%	23%
4 th Grade	*	56%	97%	99%
5 th Grade	*	37%	51%	95%

IFSAC (International Fire Service Accreditation Congress) Testing:

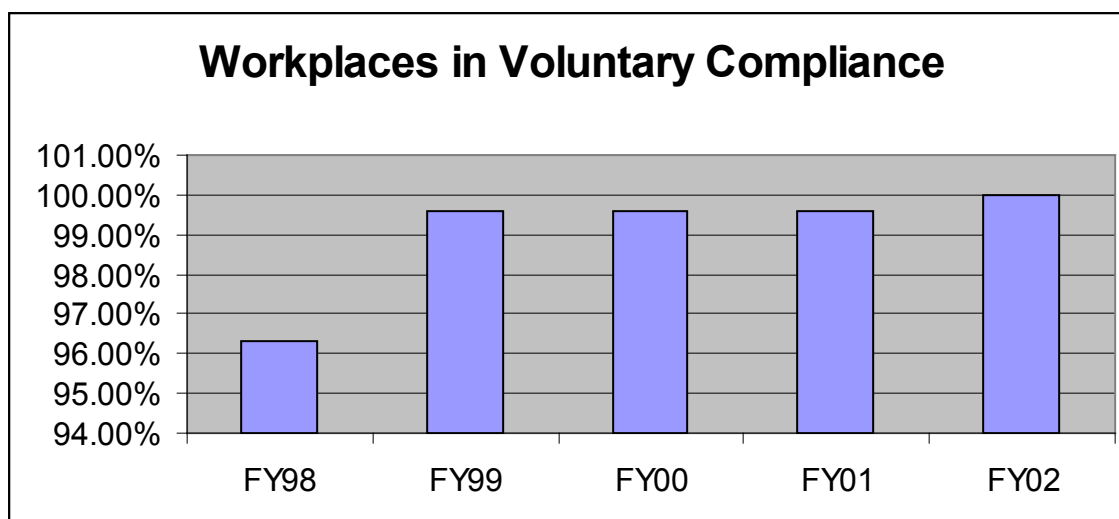
<u>Course Name</u>	#Students Tested		Students Passed		Pass Rate	
	FY01	FY02	FY01	FY02	FY01	FY02
1152 OSHA Firefighting	1009	1274	716	1050	70.9%	82.4%
1153 Firefighter I	540	1132	484	816	89.6%	72%
1154 Firefighter II	313	699	263	485	84.0%	69.3%
2100 Fire Officer I	131	210	100	190	76.3%	90.4%
3400 ARFF Firefighter	86	111	85	111	98.8%	100%
4161 Fire Instructor I	140	245	98	190	70.5%	77.5%
4175 FLS Educ.	38	41	36	31	94.7%	75.6%
4503 Driver Operator	66	167	43	62	65.1%	37%

Fire Academy	FY01	FY02	%Increase
Total Programs Delivered	1,437	1,633	13.6%
Total Students Trained	18,078	20,988	16.2%

Processing Times – POL	FY00	FY01	FY02
Renewals - % meeting benchmark	*	*	96%
New Applications - % meeting benchmark	*	*	92%

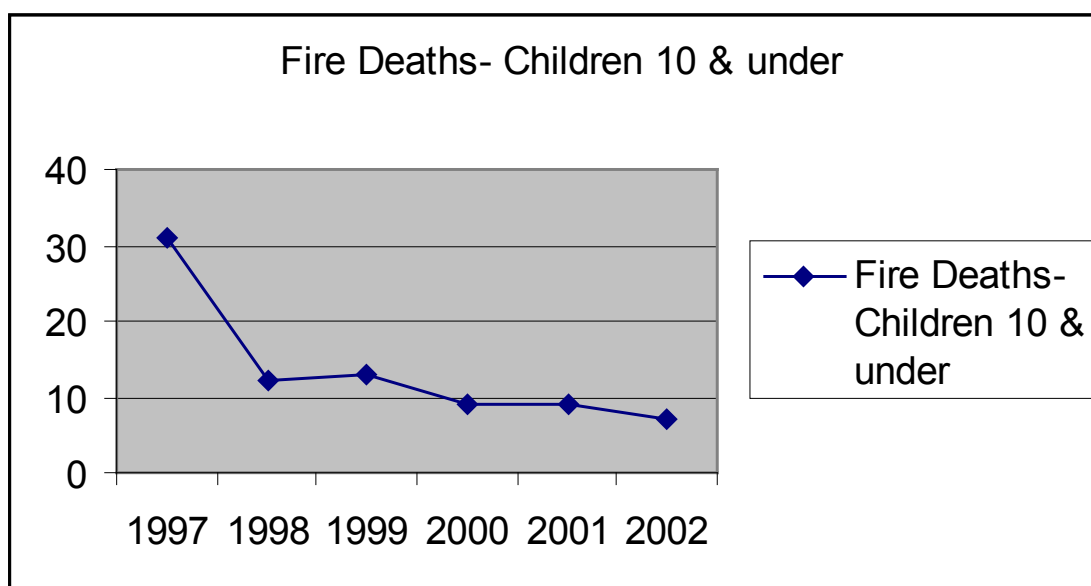
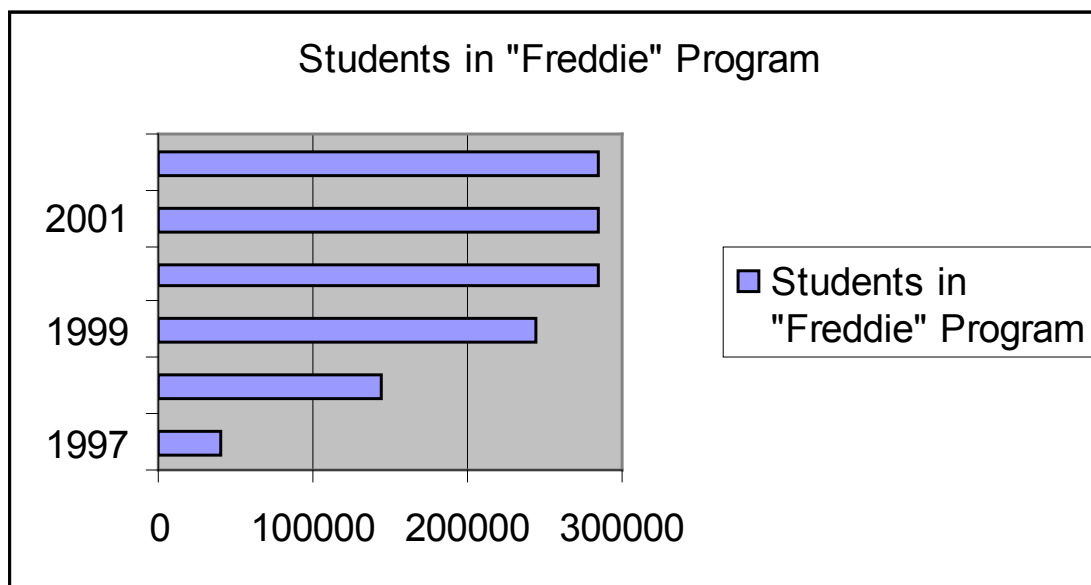
Mission Accomplishment

Calendar Year	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
SC injury and illness rate (National average was 6.1)	5.7	5.8	5.7	5.6
	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
Total hazards corrected - OVP	4,045	5,715	8,619	8,188
Fire Code Violations Corrected	*	*	*	4,295
% of employers implementing safety & health systems	50%	59.3%	40%	59.3%



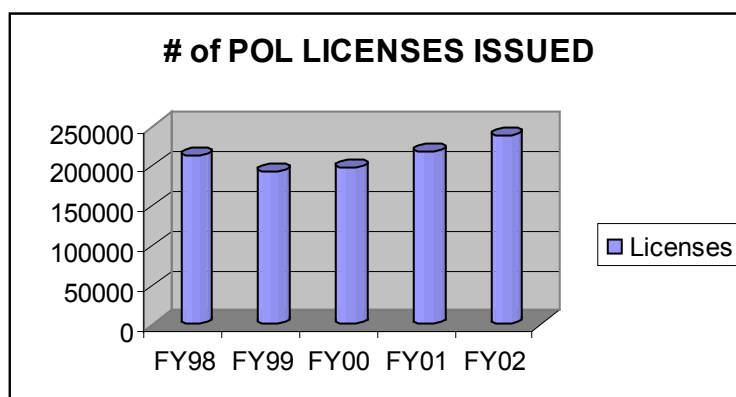
	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
Elevator fatalities	0	0	0	0
Amusement ride fatalities	0	0	0	0
Bungee jump fatalities	0	0	0	0
Workers involved in strikes	501	625	0	0
Reported strikes	2	1	0	0
Work hours lost due to strikes	70,464	1,200	0	0

	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
Violations cited – wage related	5,581	4,810	7,347	6,509
Violations cited – child labor	68	31	274	145

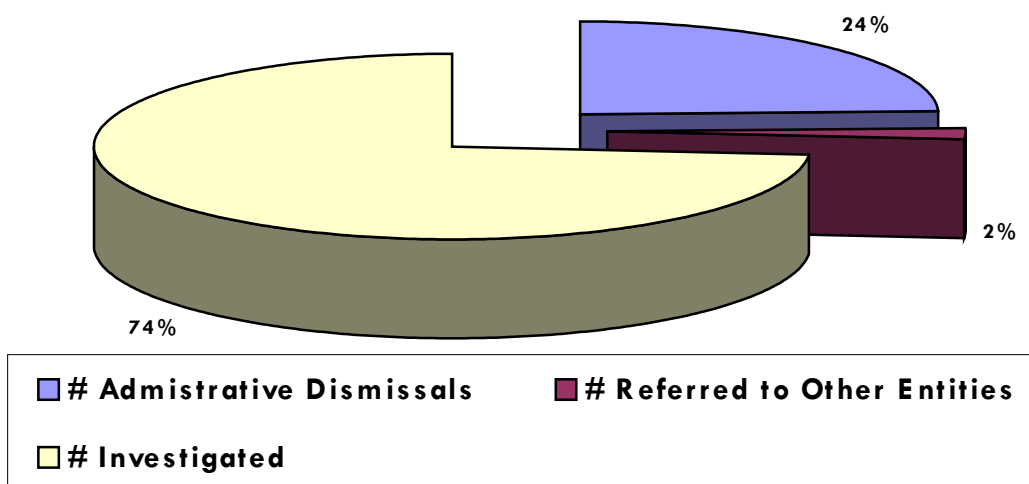


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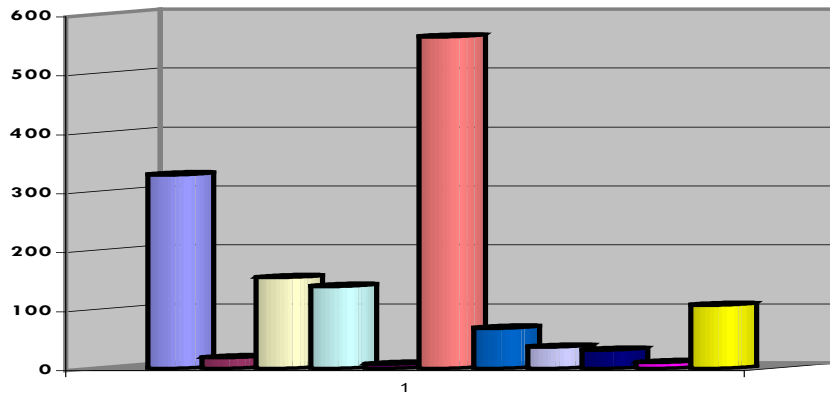
	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
Number of new POL license applications processed	26,213	29,763	29,222	33,405
Number of renewal POL applications processed	168,114	167,499	188,630	205,209



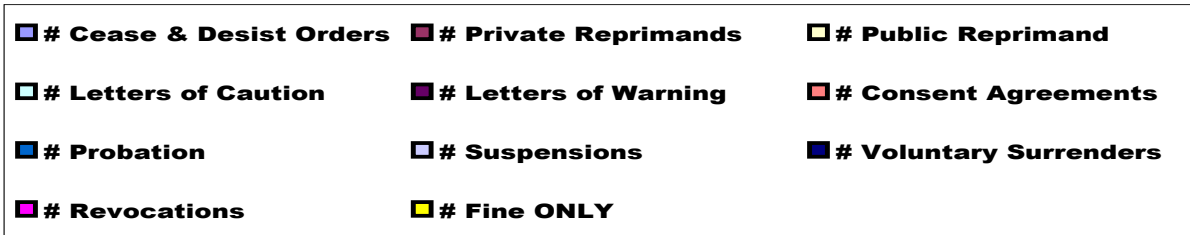
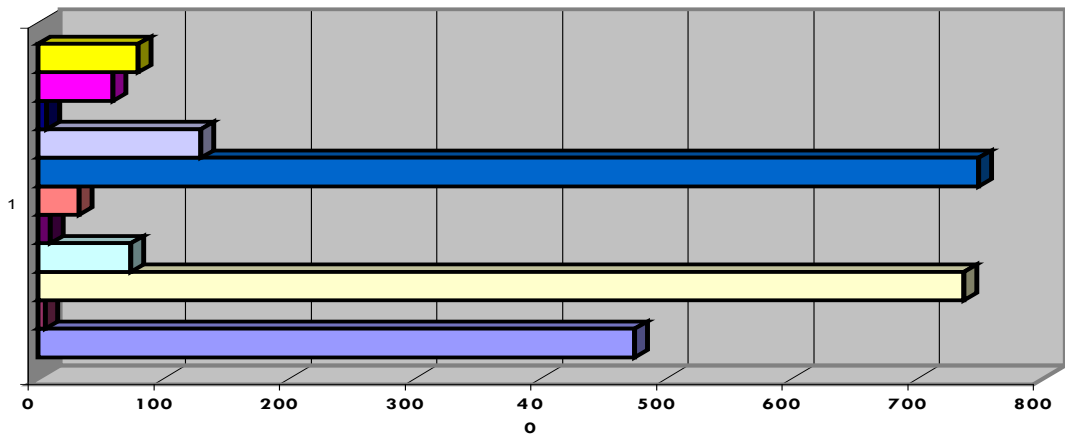
Initial Complaint Disposition by Type- FY02



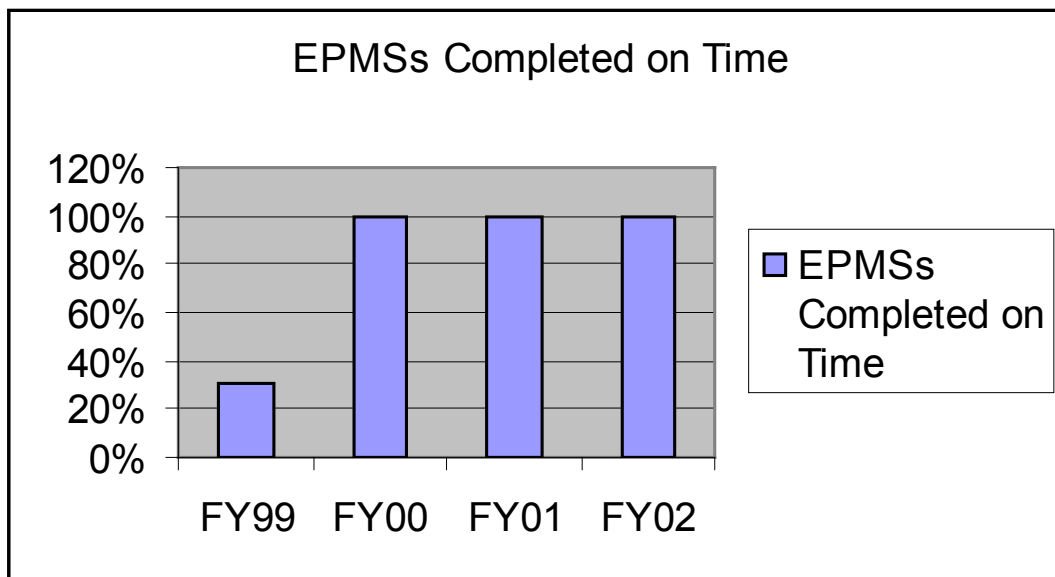
Other Formal Board Discipline - P O L



Disciplinary Actions Resulting from Hearings - P O L



Employee Satisfaction



	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
Employee Turnover Rate	*	8.15%	5.67%	5.52%

Other Accomplishments/Initiatives:

- Training Needs Assessment Completed
- Employee Survey Conducted
- Job classifications have been identified for career path development.
- Every employee's EPMS is tied to the agency's strategic plan.
- Reward and Recognition Plan submitted to Leadership Team for implementation
- Leadership team sponsored and paid for an employee appreciation luncheon.

* **Information not collected for this fiscal years.**

Supplier/Contractor/Partner

- OVP/Office of Migrant Labor partnered with SC Technical College Systems to produce workplace safety videos in Spanish.
- OSHA established “next of kin” program to communicate and assist family members of employees whose death was the result of an OSHA-related accident.
- The Office of Wages and Child Labor conducted press conferences and provided press releases to media outlets throughout the state on child labor issues.
- The Board of Nursing partnered with the USC School of Nursing, the Nursing Association and the SC Colleagues in Caring (SCCIC), a professional organization for nurses, to study the current nursing shortage, causes and possible cures. Provided statistics and funding.
- Elevator and Amusement Rides Advisory Boards were set up to enable industry to comment and advise on procedures with the Office of Elevators and Amusement Rides. Formed partnership with elevator companies to increase technical training resources for staff.
- The SC Board of Nursing was chosen as one of only seven states to participate in the Practitioner Remediation and Enhancement Program (PREP). PREP is a pilot study of the Citizens' Advocacy Center in Washington, DC and is designed to protect the public by early identification, assessment, intervention and monitoring of licensed nurses who may have clinical skill or knowledge problems which would likely result in medical errors. Practitioners with skills/competencies deficiencies are identified and placed in this program with an individualized program of remediation that meets their needs in lieu of discipline. The study and recommendations were designed to protect the interests of the public. Several healthcare facilities have agreed to participate in this program. To date, one Memorandum of Understanding has been signed with a participating agency that includes several hospitals. Training of nurse managers for the PREP program began on May 22, 2002.
- The OSHA-Bureau of Labor Statistics Program was recently recognized by its national partner, the United States Department of Labor for exceeding the survey return rate of 85% by 6% for the 2001 Occupational Safety and Health Annual Survey.
- 100% of the staff in the Elevator and an Amusement Rides program is certified by the National Association of Elevator Safety Authorities. Every inspector who is authorized to inspect amusement rides has been certified by the National Association of Amusement Ride Safety Officials.
- An Elevator Advisory Board and Amusement Advisory Board were formed to address issues of concern to owners and operators of elevators and amusement rides.

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- The Office of the State Fire Marshal partnered with the Department of Education to develop uniform code enforcement in schools. K-12 school inspections are now done on a 2-year cycle.
- Partnered with constituent groups to develop a Fire Marshal Re-certification Program and instituted quarterly training.
- Partnered with DHEC to install 3,000 smoke alarms in counties having high fire death rates.
- Partnered with the Department of Alcohol and Other Drug Associated Services (DAODAS) and the Coroner's Association to look at incorporating fire safety materials into existing outreach programs.
- The Director made speeches to civic clubs and professional associations to promote understanding and support of LLR programs, strategies and goals. In addition, she traveled to Chambers of Commerce throughout the state promoting employer participation in the consultation and training services offered by the Office of OSHA Voluntary Programs.
- In an effort to increase career opportunity awareness of the professions and occupations licensed and regulated by LLR, Career Awareness Pages were developed and placed in Charleston Post and Courier, The State, Orangeburg Times and Democrat, The Sun News, The Sumter Daily Item, The Greenville News, The Camden Chronicle. These full-page supplements contain information on what each profession or occupation does and the general, educational and testing requirements needed for licensure. This year, Career Awareness Pages were published for professions as diverse as dentists; dermatologists; pharmacy technicians; residential builders; barbers and zoo veterinarians. The Career Booklet for South Carolina Students received the South Carolina State Library Top 10 Notable Documents Award this year. The Career Awareness Pages also received a Certificate of Merit and 2nd Place Award for Special Projects from the Public Relations Society of America, South Carolina Chapter.

Regulatory and Legal Compliance and Citizenship

	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>
OSHA inspections	1,458	1,729	2,175	1,837
Fatality inspections	35	32	38	37
Employees covered by OSHA	98,690	122,842	134,321	117,556
Wage claim complaints investigated	1,997	1,873	2,483	2,044
Child Labor complaints investigated	119	119	137	102
Wage and Child Labor penalties assessed	*	\$142,830	\$350,100	\$402,800
Collective bargaining agreements negotiated	244	176	123	97
Elevators inspected	6,342	7,796	7,843	7,026
Elevators registered	6,119	7,677	7,995	8,393
Amusement rides inspected	801	1,027	899	874
Amusement ride permits issued	636	733	703	874
Bungee jumps inspected	2	1	1	1
Bungee jumps permitted	2	1	1	1
Inspections per Deputy State Fire Marshal	699	814	1,237	1,328
Inspections completed by Deputy State Fire Marshals	13,282	12,218	15,955	18,605
Students receiving Fire Marshal Certification	186	124	119	132
Building plans reviewed by Office of State Fire Marshal	614	503	539	605
Fire Academy training programs	1,372	1,317	1,437	1,633
Firefighters trained	19,778	17,292	18,078	20,988

The HOPE (Helping Other People Everywhere) Committee, comprised of LLR employees, adopted the first grade class at E. E. Taylor Elementary School. Employees read to the classes on a regular basis. The Committee sponsored several activities for the children including a visit to the Columbia Marionette Theatre and Puppetry Center; a trip to Riverbanks Zoo; and a tour of the Statehouse. The HOPE Committee also provides monetary support to LLR employees and their families during crisis situations. Monies to support the group's efforts are raised through employee hot dog, book and bake sales.

LLR employees, POL board members and POL licensees participated in the Groundhog Job Shadow Day sponsored by the Department of Education, LLR and the Employment Security Commission in February 2002.

Financial Performance

